## Office of Sustainability and Environmental Resources

# **ISSUE BRIEF**

June 24, 2013



# **Stormwater Utility Fee**

#### What is the Stormwater Utility Fee?

Effective July 2012, the Maryland State Legislature passed the "Stormwater Management - Watershed Protection and Restoration Program", also known as House Bill 987. The text of HB987 can be found at: <a href="http://mgaleg.maryland.gov/2012rs/bills/hb/hb0987e.pdf">http://mgaleg.maryland.gov/2012rs/bills/hb/hb0987e.pdf</a>. The law requires nine counties (including Frederick County) and the City of Baltimore to establish a stormwater utility fee on or before July 1, 2013. The law requires:

- A stormwater mediation fee, and
- A local watershed protection and restoration fund (i.e. special revenue fund); and
- A process for appeals, credits and hardship claims.

#### **How Much Will Frederick County Charge?**

The Board of County Commissioners voted on May 30, 2013 to adopt a one cent (\$0.01) per year fee on all eligible properties. You can watch the video archive of the BOCC May 30<sup>th</sup> meeting at <a href="http://www.frederickcountymd.gov/media/">http://www.frederickcountymd.gov/media/</a>

## Who Will Be Charged the Fee?

Local and state government properties as well as volunteer fire company properties are exempt under the law. The county is electing not to charge properties in municipalities, as many have their own stormwater permit requirements. The County does not wish to duplicate costs on these citizens. Agricultural and not-for-profit properties are not exempt from the fee.

#### **How Much Revenue Will Be Generated?**

Approximately \$487.81, based on collecting one cent from each of an estimated 48,781 eligible properties. Funds collected through the fee will be set aside to pay for stormwater- related activities as required by the law. The county has spent an average of \$2.5M per year on stormwater permit compliance through the general fund from taxes. It plans to continue funding through the general fund. The county has increased its funding in Fiscal Year 2014 to \$3.6M and in FY'15 to \$4.7M.

# What are Frederick County's Regulatory Requirements for Stormwater?

The County is required to comply with a federal Clean Water Act National Pollutant Discharge Elimination System (NPDES) permit for its Municipal Separate Storm Sewer System (MS4). It has also been given goals in Maryland's Watershed Implementation Plan for the Chesapeake Bay Total Maximum Daily Load (TMDL); these goals are aspirational but will be regulated through future NPDES MS4 permits. HB987 does not affect these goals; it just requires one type of funding mechanism to be developed.

The County's NPDES MS4 permit has substantial requirements for monitoring, mapping, inspections, maintenance, special studies, and other tasks. The most expensive requirement is to retrofit surfaces in urban areas with stormwater management facilities. The state requires retrofits because these areas do not allow water to filter and percolate. The County predicts that its next National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit, currently in draft, would cost the county over \$112 Million to comply, including \$96 Million for stormwater retrofits. This permit is in negotiation. The County also holds industrial discharge permits for stormwater which will require retrofits.

## I Heard Something Different About the Fee

- Each County and City regulated by the law has the latitude to establish the fee as it sees fit so long as the jurisdiction meets the requirements of the state law. Some jurisdictions have chosen to charge based on the size of the building or charge a certain amount for untreated impervious area. In some areas of the state, fees are predicted to cost a substantial amount where properties have large amounts of untreated impervious areas.
- You may have heard the fee referred to as a "rain tax." This is not an official term the state uses, but one that has been used to describe the state law.

#### Who Can I Contact for More Information?

For more information, contact Shannon Moore, Manager of the Office of Sustainability and Environmental Resources at <a href="mailto:smoore@frederickcountymd.gov">smoore@frederickcountymd.gov</a> or 301.600.1413.